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Loopholes in ROK Social Safety Net Should Be Mended to Assist the
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Survey: Admissions Officials of 11 Major Universities Valued Talent
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75 Percent of Experts Surveyed: "People's Right to Know and Freedom
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Korean Figure Skater Kim Yu-na Sets World Record

Domestic Developments

- [1](#)1. According to an ROKG source, Secretary of State Hillary Clinton

will visit the ROK from Feb. 19-20. Secretary Clinton will meet with ROK Foreign Minister Yu Myung-kwan on Feb. 20 to discuss pending bilateral issues, including the North Korean nuclear issue, the bilateral alliance and Seoul's contribution to the U.S.-led war in Afghanistan. She will also pay a courtesy call on President Lee. (JoongAng, Dong-a, Hankook, Hankyoreh, Segye, Seoul, all TVs)

¶2. According to an ROKG source, the ROKG believes that the most likely provocation by North Korea would be the firing of short-range missiles across the Northern Limit Line (NLL), the de facto sea border between the two Koreas. (Chosun)

¶3. Another ROKG source was quoted as saying: "North Korea would likely test-fire an upgraded version of the long-range Taepodong-2 missile which it tested in 2006. The reason we believe it to be an upgraded version is that the previous one ended in failure." (JoongAng, all TVs)

¶4. Former Vice Defense Minister Park Yong-ok said in a recent interview that it would be difficult for North Korea to go for an all-out provocation but that it would be possible for the North to test the ROK and U.S. militaries. (Chosun)

International News

¶1. The U.S. Senate voted on Feb. 4 to soften some of the controversial "Buy America" provisions in its economic stimulus bill. Accordingly, American trading partners, including the ROK and the EU, would likely be exempted from a strict requirement in the bill that all public works projects funded by the stimulus package use only U.S.-made iron, steel and manufactured goods. (All) Media Analysis

Secretary Clinton's Trip to East Asia

Citing an ROK Foreign Ministry official, most of the ROK media reported that Secretary of State Hillary Clinton will visit the ROK from Feb. 19-20 after traveling to Japan and Indonesia. The official was quoted as saying: "Secretary Clinton plans to hold talks with ROK Foreign Minister Yu Myung-kwan on Feb. 20 and she will also pay a courtesy call on President Lee Myung-bak." Most of the ROK media noted that this will be the first official visit to the ROK by a high-ranking U.S. official since President Barack Obama took office, and expected that the two foreign ministers will discuss pending bilateral issues, including the North Korean nuclear issue, the bilateral alliance and Seoul's contribution to the U.S.-led war in Afghanistan.

North Korea

Most of the ROK media continued to give attention to the purported preparations by North Korea to test-fire a long-range Taepodong-2 missile. Conservative Chosun Ilbo quoted an ROKG source as saying yesterday: "The ROKG believes that the most likely provocation by North Korea would be the firing of short-range missiles across the Northern Limit Line (NLL), (the de facto sea border between the two Koreas.)" Chosun also quoted former Vice Defense Minister Park Yong-ok as speculating in a recent interview: "It would be difficult for North Korea to go for an all-out provocation. However, it would be possible for the North to test the ROK and U.S. militaries." Right-of-center JoongAng Ilbo, meanwhile, cited another ROKG source as saying yesterday: "North Korea would likely test-fire an upgraded version of the long-range Taepodong-2 missile which it tested in ¶2006. The reason we believe it to be an upgraded version is that the previous one ended in failure." Conservative Dong-a Ilbo's inside-page report said that ROK and U.S. intelligence authorities suspect that the recent missile movements in North Korea might be related to the communist state's efforts to miniaturize its nuclear arsenal for placement on ballistic missiles. The report went on to say: "If North Korea has made considerable progress on miniaturizing its nuclear warheads, there is a high possibility that North Korea might mount a 'mock warhead' on the Taepodong-2 missile before firing it." Other newspapers, including moderate Hankook Ilbo, cited an ROKG source as saying: "Pyongyang may fire the Taepodong-2 missile at an earlier time than the previously reported one to two months, because the regime is believed to have upgraded its technology since the 2006 test."

Iraq - Provincial Election Results

Right-of-center JoongAng Ilbo's Senior Journalist Kim Young-hie opined: "There are four reasons to believe that the recent elections bode well for the future of Iraq. First, the Sunnis had boycotted the 2005 elections, but this time many of them voted, helping find a balance in the distribution of power. Second, Islamic political parties used to be strong and secular political parties weak, but this year it was the other way around, indicating the diminishing influence of Iran, which supported them, and of al-Qaeda. Third, on the day of the election, the Iraqi army and police, not the U.S. military, headed security, and there was no major violence. Fourth, young candidates, who have never sought asylum abroad, ran in the election, a good sign for the future leadership of the nation. However, there is still a very long way to go. Iraq is surrounded by Iran, Syria and Jordan, and Jordan shares a border with Israel. Because of Iraq's geopolitical location, the U.S.' Iraq policy is directly linked to its instinct to protect Israel. Iraqi issues are intertwined with issues of the Middle East region as a whole. Therefore, if there is no progress in negotiations for peace in Palestine, on Iran's nuclear program, or in talks between Syria and Israel on handing over the Golan Heights, no one knows how long it will take for the seed of peace in Iraq to sprout and bear fruit."

U.S. Stimulus Bill

The ROK media gave prominent play to the U.S. Senate's Feb. 4 vote to soften some of the controversial "Buy America" provisions in its economic stimulus bill. Most of the ROK media expected that American trading partners, including the ROK and the EU, would likely be exempted from a strict requirement in the bill that all public works projects funded by the stimulus package use only U.S.-made iron, steel and manufactured goods. Moderate Hankook Ilbo commented in an editorial: "However, the U.S has just watered down some of the provisions. Furthermore, under this economic crisis, most countries are facing increasingly intense political pressure to protect their own businesses and jobs. Thus, in all likelihood, similar disputes and conflicts will resurface any time and anywhere."

Global Economy

Conservative Chosun Ilbo noted that advanced countries, including the U.S. and the EU, are offering bailout funds to their banks on condition of increasing their domestic lending, and commented in an editorial: "In order to increase domestic lending amid the ongoing credit crunch, banks should reduce their foreign lending. This will tighten the flow of money in the international financial market, which will, in turn, reduce international trade, making it difficult to turn around the global economy."

Opinions/Editorials

A Future for Iraq

(JoongAng Ilbo, February 6, 2009, Page 27)

By Senior Columnist Kim Young-hie

There are several reasons to believe that the recent elections in Iraq bode well for the country's future.

My heart aches when I think about Iraq.

The country has the elements necessary to become a prosperous country in terms of economy, history and culture. It's the only nation in the Middle East that has abundant water as well as oil.

One of the four ancient river valley civilizations was developed in Mesopotamia, along with the Yellow River in China, the Nile River in Egypt and the Ganges in India. Mesopotamian civilization developed along the Tigris and Euphrates rivers in today's Iraq thanks to the fact that there was plentiful water, a scarce resource in the region.

Mesopotamian civilization was the world's first, and has left a rich cultural heritage for subsequent generations that we continue to benefit from today. Sumerians came to the area before 6000 B.C. and established a city state in southern Iraq, although it is not known where these people came from.

Around 3200 B.C., they devised the earliest cuneiform script known

to humankind. The epic of Gilgamesh, the king of the Uruk Dynasty that was founded around 2800 B.C., is the earliest such work known to the world, and has been preserved on clay tablets until today.

Qurna, a small town in southern Iraq, is believed by many to be the Garden of Eden, where Adam and Eve are said to have lived. Another common claim is that Noah's flood in the Old Testament was in fact a deluge that wiped out the Mesopotamian region.

Sumerian civilization merged into the Akkadian Empire that developed in northern Iraq, giving birth to Babylonia. The Tower of Babel and the Code of Hammurabi, the world's earliest legal system, are the most well-known relics from Babylonian civilization.

Relics from the ancient civilizations in Iraq are precious resources and serve as huge tourist attractions.

Iraq has been blessed with water, oil and tourist attractions, but its politics had not caught up with its environmental attributes. Saddam Hussein's 35-year rule was pure tyranny. He gassed tens of thousands of his people. He waged an eight-year war against Iran based on his ambition of creating a Middle Eastern superpower. He invaded Kuwait and was punished by the United States. Throughout all this, the people suffered.

Hussein's despotism ended in 2003 with the American invasion. But under the United States' occupation, clashes among different religious denominations and ethnic groups have become commonplace in Iraq, instead of the peace through democracy that Washington had intended to create.

It seemed as if there was no hope for the country. People worried that if the U.S. army withdrew by 2011 as Washington and Baghdad E agreed, a civil war would break out and the country would either be divided among the Shiites, the Sunnis and the Kurds, or only be held together in the form of a loose federation.

The Jan. 31 local elections, however, eased such worries quite significantly. In the elections for 444 officials for 14 of the country's 18 provinces, 1,400 candidates from 400 political parties ran. The turnout rate was 51 percent.

There are four reasons to believe that the recent elections bode well for the future of Iraq. First, the Sunnis had boycotted the 2005 elections, but this time many of them voted, helping to find a balance in the distribution of power.

Second, Islamic political parties used to be strong and secular political parties weak, but this year it was the other way around.

Third, on the day of the election, the Iraqi army and police, not the U.S. military, headed security, and there was no major violence.

Fourth, young candidates who have never sought asylum abroad ran in the election, a good sign for the future leadership of the nation.

The election results were good enough to give George W. Bush reasons to boast. It has become easier for the Barack Obama Administration to plan a U.S. military withdrawal from Iraq. The defeat of the Islamic political parties to some signals diminishing influence of Iran, which supported them, and of Al Qaeda.

If the Iraqis' break from Islamic extremism and their determination to take part in the political process persists through to the December local elections, the seed for peace through democracy will finally be planted.

If the country stabilizes, many Koreans will visit the ancient land of the Garden of Eden and the Tower of Babel. If an economic resurgence begins in Iraq, Korean companies will do business with the country.

However, there is still a very long way to go. Iraq is surrounded by Iran, Syria and Jordan, and Jordan shares a border with Israel. Because of Iraq's geopolitical location, the United States' Iraq policy is directly linked to its instinct to protect Israel. Iraqi

issues are intertwined with issues of the Middle Eastern region as a whole.

Therefore, if there is no progress in negotiations for peace in Palestine, on Iran's nuclear program, or in the talks between Syria and Israel on handing over Golan Heights, no one knows how long it will take for the seed of peace in Iraq to sprout and bear fruit.

* This is a translation provided by the newspaper, and it is identical to the Korean version.

Financial Protectionism Could Bring Second Crisis
(Chosun Ilbo, February 6, 2009, Page 27)

Rhee Chang-yong, the Vice Chairman of the Financial Services Commission, said on Thursday, banks could once again face shortages of foreign currency. The dollar shortage that ensued as the global financial crisis hit in September could happen again, and although Rhee had expected it to be resolved between January and February, he now expects it to take longer. Banks will have a difficult time boosting the amount of loans to small- and mid-sized companies as long as this problem remains unresolved.

Rhee's comments are related to financial protectionist measures that are becoming evident in advanced countries. The United States and Europe have extended financial aid to their banks on condition that they boost loans to domestic businesses. And with the global credit crunch unresolved, the only way to boost domestic lending is to cut back on international loans. That means cash flow in the global financial markets will be further constricted, leading to a decrease in trade and making it more difficult for the global economy to recover.

Financial protectionism was the biggest issue at the recent World Economic Forum in Davos, Switzerland. British Prime Minister Gordon Brown said the biggest threat to the global economy was the policies of financial protectionism and isolationism, which prohibit financial rescue funds from being spent overseas. But even Brown is demanding that British banks expand loans to domestic companies.

Newly industrialized economies will find it tougher to secure foreign capital as a result. The Institute of International Finance forecasts that only US\$165 billion in private capital will flow into newly industrialized country (NICs) this year, down 65 percent compared to last year's \$466 billion. Eastern Europe is expected to be hit hardest, with only \$30 billion in foreign capital coming in this year, compared to \$254 billion last year.

In Korea's foreign exchange market, the signs have yet to show. The Korea Development Bank and the Export-Import Bank of Korea succeeded this year in issuing \$2 billion worth of bonds overseas, almost resolving the dollar shortage here. But if Eastern Europe and other NICs experience a foreign exchange crisis, then we may end up feeling the effects. The government must bolster dollar reserves through state-run banks and public enterprises and closely monitor developments in international financial markets. Banks cannot rely solely on government aid, but must try to resolve the dollar shortage on their own when they have the chance.

* This is a translation provided by the newspaper, and it is identical to the Korean version.

Even Though 'Buy America' Provisions Have Softened
(Hankook Ilbo, February 6, 2009, Page 36)

Yesterday, U.S. Senate came up with a diluted amendment to the 'Buy America' provisions in the \$820 billion stimulus package, which is aimed to protect the U.S. steel industry. This seems to ease escalating tensions over trade protectionism among the U.S., European Union (EU) and newly industrializing countries. However, the U.S. merely watered down only some of the 'Buy America' provisions. Moreover, most countries mired in the economic doldrums are facing more intense political pressure to protect their own business markets and jobs. Thus, in all likelihood, similar disputes and conflicts will resurface any time and anywhere.

The economic stimulus bill that was passed in the U.S. Congress on Jan. 28 mandates that all public works projects funded by the stimulus package use only U.S.-made steel and manufactured goods. Shortly after (passage of the bill), (the bill) sparked scathing criticism from the EU, Japan and Canada that the U.S. move breaches the spirit of the World Trade Organization (WTO) and is a suicidal act leading to collective destruction, and ignited an outright cry for retaliatory measures. President Obama who vowed to abandon unilateralism and the world order of mutual respect, said persuasively, "In times of global economic downturn, we cannot send a protectionist message and look only after ourselves."

President Lee Myung-bak, in a telephone conversation with President Obama, emphasized the U.S. role as a global leader, saying that the world economy should not forget the experiences and lessons from the first Great Depression. Apparently as a result of these efforts against opposition from the steel industry and its laborers and legislators representing their interests, the U.S. Senate in a voice vote passed the Buy America amendment, saying that such provisions should be 'applied in a manner consistent with U.S. obligations under international agreements'.

But this amendment will not lead to an entire uprooting of the seeds of enmity. Wrangling over interpretation of the provisions may follow and the provisions may more extensively cover goods in other fields. Furthermore, (other foreign) governments, knowingly or unknowingly, have put up trade barriers while warning against harmful trade protectionism. Currency manipulation rows between the U.S. and China, and tariff and non-tariff barriers bolstered by newly industrializing countries reveal that a trade war has already begun. This is an ominous situation for South Korea as an export-reliant country but could offer a chance to re-examine the global strategy of the government and businesses.

Features

[1](#)N. Korea "Could Fire Missiles across Sea Border"
(Chosun Ilbo, February 6, 2009, Page 5)

By Reporter Ahn Yong-hyun

The government believes that the most likely provocation during North Korea's current grandstanding could be the firing of missiles across the Northern Limit Line, the de facto sea border which Pyongyang refuses to recognize.

Working-level officials from security ministries and agencies met behind closed doors on Jan 30, after the North's Committee for the Peaceful Unification of the Fatherland threatened military action. There they discussed the chances of the North firing missiles over the NLL as the most likely provocation, a government official said. The reason was that the North declared all political and military agreements reached between the two Koreas null and void while also mentioning the NLL, the official added.

A maritime demarcation line off the west coast unilaterally announced by the North in 1999 runs far south of the NLL. "Pyongyang may use the logic that South Korean leaflets being sent to the North is on par with North Korea firing missiles at the South," the official said. South Korean civic organizations this week said they will send North Korean won across the border on or around Feb. 16, the birthday of North Korean leader Kim Jong-il, and the North could retaliate with some kind of military action.

The North has a surface-to-surface missile base on Chodo island, Hwanghae Province, from which it test-fired missiles in October last year. With a range of 100-120 km, they would have no problem reaching the NLL. However, some observers raised concern that if a missile fired by the North simply to intimidate a South Korean squadron hits the South's squadron by accident, the situation will spin out of control.

"We can prepare ourselves when signs of provocation like the firing of long-range Taepodong-2 missiles are monitored in advance. But it's difficult to cope with abrupt firing of short-range missiles or a North Korean vessel firing missiles near the NLL," a security official said. North Korean patrol vessels are equipped with 40

km-range surface-to-surface missiles.

North Korea could up the ante and fire mid-range missiles at the open sea near Jeju Island, but that is unlikely because it has to take China and other countries into consideration.

* This is a translation provided by the newspaper, and it is identical to the Korean version.

Stephens

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